

# *proposal*

*Response to Request for Proposal  
Recreation and Aquatic Center Operations/Management*

Prepared for The City of Sherwood, Oregon

May 26, 2017

 **HealthFitness**<sup>®</sup>  
*A Trustmark Company*

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## IV. MINIMUM QUALIFICATIONS

The City is seeking an organization that is highly regarded in the field, understands and appreciates the City's needs regarding the Recreation and Aquatic Center, and has qualified and established project management staff.

Proposers must meet or exceed the following criteria:

1. Proposer must be legally capable of operating within the State of Oregon.  
 Confirmed. HealthFitness is legally capable of operating within the state of Oregon – we are licensed to provide services in all 50 states.
  
2. Proposer must have extensive and current experience in managing, owning, and/or operating multi-sport venues which provide leagues, tournaments, camps, clinics, training, aquatics programs, fitness activities, special events, and facility rentals for a variety of sports and recreational activities. Single-sport operators will not be considered.

### Large-Center Recreation and Aquatic Query

For 42 years HealthFitness has been providing fitness, recreation, and wellness services within community collegiate, and corporate environments. We have developed a query that includes averages from 14 current HealthFitness clients similar in scope to the Sherwood Recreation and Aquatic Center. See below for like-client data.

HEALTHFITNESS CLIENT DATA AVERAGES	
Client Tenure in Years	15 Years
Facility Size (gross square footage - GSF)	56,945 GSF
HealthFitness Staff Count (full-time equivalency – FTEs)	28.0 FTEs
Hours of Operation	109.5 Hours/Week
Membership	4,494
Fitness Activities	Yes
Personal Training	Yes
Group Classes	Yes
Court/Gymnasium Activity	Yes
Aquatics Programming (water workouts and instructional swim)	Yes
Leagues/Tournaments/Clinics	Yes

Camps	Yes
Outreach Special Events (seasonal, thematic, and targeted)	Yes

3. Proposer must provide profit and loss statements for facilities it has managed in the past three calendar years, in sufficient detail that represents a fair and accurate portrayal as to the financial viability of the organization to run such a facility in a financially sustainable way. At least one example must be for a facility Proposer currently operates.

HealthFitness has a tenured record of delivering positive financial results for current clients. See the table below for three examples of current client operational budget outcomes for the previous fiscal calendar year.

<b>HealthFitness Client #1</b>	<b>2016/2017 Fiscal Period</b>
Membership Sales	\$2,510,661.00
Other Direct Sales	\$638,872.00
Total Sales	\$3,149,533.00
Total Operating Costs	\$2,632,286.00
Net Contribution	\$517,247.00
Recovery	119.65%

<b>HealthFitness Client #2</b>	<b>2016/2017 Fiscal Period</b>
Membership Sales	\$2,783,292
Other Direct Sales	\$1,052,308
Total Sales	\$3,839,995
Total Operating Costs	\$2,736,639
Net Contribution	\$1,103,356
Recovery	140.32%

<b>HealthFitness Client #3</b>	<b>2016/2017 Fiscal Period</b>
Membership Sales	\$4,100,000
Other Direct Sales	\$1,350,000

Total Sales	\$5,450,000
Total Operating Costs	\$4,268,000
Net Contribution	\$1,182,000
Recovery	128%

4. Proposer must provide no fewer than three references from accounts where Proposer is currently or has previously provided full-time, on-site management.

HealthFitness provides on-site management at more than 230 client sites nationwide. Many of these centers provide a mix of member services including tradition fitness assessments, exercise prescriptions, group exercise classes, health education and more. HealthFitness has provided three current client references. Please see below for a summary of the references, as well as the attached separate exhibit for detailed client profiles.

Confidential Information Removed

Confidential Information Removed

Confidential Information Removed

Confidential Information Removed

 **EXHIBIT 1: CLIENT PROFILES**

5. Previous experience operating a public or non-profit center is strongly preferred.

For more than 20 years HealthFitness has been providing professional staff along with fitness, recreation, and wellness programming for clients who are non-profit and who market their facilities and services to the public sector. We believe we have the practical experience and depth of resources to be a viable partner for the City of Sherwood and the moving forward program plan for the Sherwood Recreation and Aquatic Center. Please refer to the response to Question #4 of this section for client references, as well as the attached exhibit, CLIENT PROFILES. The current client references we have provided include public operations as well as non-profit client organizations.

## **PROPOSER CERTIFICATIONS AND ACKNOWLEDGEMENTS**

1. Proposer is familiar with the local conditions under which the work will be performed.  
HealthFitness currently provides professional staff and fitness, recreation, and wellness services for center-based operations in 37 U.S. States and Canada. Our typical approach when starting a new client partnership is to spend a period of time during the implementation and/or transition of operations with the client group to gain a better understanding of the local environment and culture the operation works within. We pride ourselves on understanding the culture, key values and objectives of each client we serve. Our recommended approach for the Sherwood project would be to spend a focused amount of time with the designated team from the City of Sherwood to best understand desired outcomes for the Recreation and Aquatic Center and associated programs moving forward. This will include our gaining a greater understanding of the local Sherwood Community and eligible population.
2. The Proposal is based upon the requirements described in the RFP, without exception, unless clearly stated in the Proposal.  
Confirmed.
3. Proposer will fully meet all of the City minimum insurance requirements (Appendix B).  
Please see attached Appendix B for document with HealthFitness' edits and comments.

### **APPENDIX B – HEALTHFITNESS EDITS AND COMMENTS**

4. To the best of Proposer's knowledge and belief, and in the case of sole proprietorship, partnership, or corporation, each party thereto certifies as to its own organization, under penalty of perjury, that, no elected official, employee, or person whose salary is payable in whole or part by the City has a direct or indirect financial interest in the Proposal, or in the services to which it relates, or in any of the profits thereof, other than as fully described in the Proposal.  
Confirmed.
5. Proposer has examined all parts (including addenda) of the RFP, including all requirements and contract terms and conditions thereof, and if its Proposal is accepted, Proposer shall accept contract documents conforming thereto.

Confirmed. HealthFitness agrees to enter into an Operating Agreement that is acceptable to both parties based on the Proposal and the goals and objections of the City of Sherwood. HealthFitness is open to providing an agreement template for development, and/or utilizing a template the City may have. In either approach, the end objective will be to develop an Operating Agreement that contains among other provisions, the scope of management services, the duration of the Operating Agreement with a renewal option, insurance and indemnity requirements, and a variety of other legal provisions, including those required by public contracting laws. The Operation Agreement may also include a variety of ordinances and policies including, but not limited to, living wage, affirmative action, background checks of employees, and licensing requirements.

6. Proposer, if an individual, is of lawful age, is the only one interested in this Proposal, and no person, firm, or corporation, other than that named, has any interest in the Proposal, or in the proposed contract.  
Confirmed.

7. Proposer has quality experience providing the types of services and duties as described within the Scope of Services of this RFP.  
Confirmed. Please refer to Section IV for HealthFitness' qualifications and relative experience.

8. Proposer shall also certify whether Proposer is an Oregon Proposer or a non-resident Proposer.  
HealthFitness is a non-resident proposer.

The Proposer must acknowledge in its response the following:

1. The Proposer agrees with all stipulations and requirements, as presented in this RFP.  
Confirmed.
2. The Proposer acknowledges that, if selected as the successful proposer, the operation of the facility per the requirements of this RFP is contingent upon successful negotiation of a limited-duration operating contract with the City of Sherwood.  
Confirmed.

## **XIV. PROPOSAL REQUIREMENTS**

### **Introductory Letter**

See separate document.

## **Organization Experience and Qualifications**

Provide a description of Proposer's capabilities to:

1. Provide a profile of the organization and describe its legal structure, principal officers and organizational structure. If Proposer is a newly-formed entity comprised of multiple individuals or entities that is compiling projects from prior experience, Proposer should state this clearly.

With more than four decades of experience, HealthFitness has an established track record of creating immediate, effective health and fitness management programs for large and diverse populations. Our history began with on-site fitness management, but over the years we expanded the services and programs we deliver to address the scope of the population health spectrum. Today's HealthFitness leverages an experienced, superbly trained workforce to integrate fitness, health management, condition management and occupational health programs.

HealthFitness was founded in 1975 and has been in business for 42 years. HealthFitness was incorporated in the state of Minnesota in March of 1987. HealthFitness is a privately-held, wholly-owned subsidiary of Trustmark Mutual Holding Company, Lake Forest, IL. Trustmark has been in business for 100 years. Since then, we combined the organizations of HealthFitness, Health Services Division of Johnson & Johnson Health Care Systems Inc., and HealthCalc.Net. In 2011, we acquired the assets of Focused Health Solutions and transitioned Health Contact Partners as an operating unit under the HealthFitness umbrella.

Our principal signing officers include:

### **PAUL LOTHARIUS, PRESIDENT AND CHIEF EXECUTIVE OFFICER**

Paul brings 20-plus years of experience in operations and technology management in the health care and insurance industries. He previously was president and chief executive officer of CoreSource, a provider of benefit administration and health management services. He has a Master of Business Administration from Butler University.

### **STEVE ALAVI, CHIEF FINANCIAL OFFICER**

Steve brings 20 years of experience in the financial services and employee benefits industry to his role as CFO. Prior to joining HealthFitness in 2013 he served as executive director of treasury and financial management at Health Care Service Corporation and worked for Arthur Andersen, LLP. Steve is a certified public accountant, holds a bachelor's degree in Accountancy from Northern Illinois University, and currently is

completing his Master of Business Administration from Lake Forest Graduate School of Management.

Our senior level organizational chart and project organizational chart, as well as additional biographies for the team that will be supporting the City's account and a sample job description can be found in the attached exhibit.

 **EXHIBIT 2: HEALTHFITNESS TEAM**

2. Provide a copy of any organization profile, sales brochure, or other documentary information pertaining to the organization.  
Please see our response to Question #2a in the Operation Plan section below for an exhibit that contains an overview of our marketing campaigns along with samples of marketing and communications we have done for clients similar in scope to the City of Sherwood Recreation and Aquatic Center project.

3. Provide resumes of key personnel including proposed facility manager and principals of Proposer's firm/organization.  
Our senior level organizational chart and project organizational chart, as well as biographies for the team that will be supporting the City's account and a sample General Manager job description can be found in the attached exhibit.

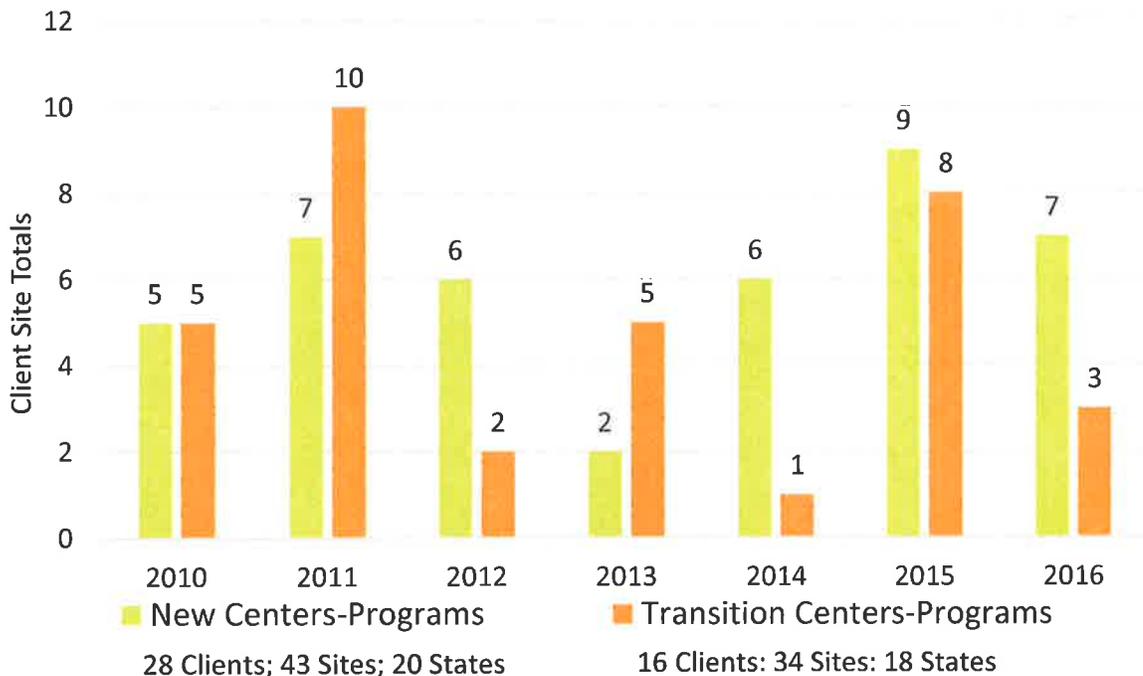
Please note that what we've proposed is similar to the City's existing structure. It is our intention to incorporate our standard job descriptions, certifications, roles and responsibilities with the City's. The job description we've provided is a sample of our standard requirements, however, we would develop individual job descriptions for each of the on-site staff that would be hired specifically for the City.

 **EXHIBIT 2: HEALTHFITNESS TEAM**

4. Provide the year and month when Proposer's organization was formed.  
HealthFitness has been in business since 1975, and was incorporated in the state of Minnesota in March of 1987.

- Provide a complete and detailed history of Proposer's facility management experience over the last five years. Include contact information.

HealthFitness historically has seen steady client growth on an annual basis. See the chart below for our client growth history since 2010. For client contact information, please see our client references and profiles.



**Combined Annual Growth Average Per Year Since 2010: 6 Clients and 11 Sites Per Year**

6. Provide a list of facilities managed by Proposer on behalf of clients. Include contact information.

HealthFitness currently has 105 fitness, recreation, and wellness based clients. Within this client base we deliver professional staff and services at 230 client centers nationwide. Our client base spans across the community, collegiate, and corporate sectors of the health and fitness industry. See the response to Question #2 in Section IV of this response for a query of our large-center client data that is similar in scope to the City of Sherwood's Recreation and Aquatic Center. Additionally, see the response to Question #4 of Section IV of this response for a listing of current client references, along with detailed client profiles in a separate exhibit.

### **Operation Plan**

All of the following shall be based on the same amenities listed on page 1. Proposals must include the following information:

1. Management Plan- Provide an explanation of the overall philosophy on how Proposer would manage and operate the facility. This may include:
  - a. An overview of the timeline of critical milestones, and a description of roles and responsibilities.

#### **HealthFitness Program Transition History and Experience**

In our 42 year tenure 32% of our client base (74 locations) originated as transition projects in scope. More recently, since 2010, our transition experience has included 16 new-client partnerships with 34 transition projects across 18 States in the U.S. (several of the recent transition clients included multi-site projects). These projects have included the transition of existing program operations and service delivery along with the transitioning and on-boarding of more than 100 fitness, recreation, and wellness professionals to HealthFitness employment.

Confidential Information Removed

#### **Key Components to a Successful Transition**

With our extensive program transition experience, we have found that there are several key components that factor into a successful transition project. These include:

### A Tenured Transition Team

Collectively, our senior management team that will be assigned to the Sherwood Recreation and Aquatics Center project have been providing strategic account management and engagement services for HealthFitness clients for more than 24 years. This team, led by James Aranowski, Senior Director, Program Management and Engagement, has a history of superior account management performance and in recent years has managed some of our largest transition projects to date. James will be supported during the transition phase and annual operations by a corporate account management team including:

- Chip Boyd | General Manager, CHRISTUS Hospital – St. Elizabeth Wellness Center HWC
- Ann Wyatt | Vice President, Program Management & Engagement
- Jen Smith | Vice President, Client Strategy & Engagement
- Candace Jones | Director, Marketing
- Tina Loskota | Vice President, Human Resources
- Arch Hasler | Vice President, Fitness, Recreation, and Wellness Consulting

With support from the HealthFitness corporate account team, James will lead the transition phase of the project and also have day-to-day account management responsibility and oversight of all on-site staff during annual operations. A summary of key account management areas will include but are not limited to:

- Staff transition and/or recruitment
- Training and development workshops for the HealthFitness on-site staff
- Program supervision to ensure quality control
- Assistance with annual Business Plan development
- Liaison between the City of Sherwood and HealthFitness
- Contract management and renewal

### An Efficient Transition Action Plan with Proven Experience

As stated previously, HealthFitness has had extensive experience in recent years with program transition projects. A key component and benefit from this practical experience was the refinement of an effective plan of action as it relates to the multiple moving parts of a transition project (e.g., existing staff and daily operations in relation to current member expectations, facility supervision and general

operations, revenue collection and expense payment moving forward, technology systems, etc.).

We will utilize our practical experience to assure the Sherwood Recreation and Aquatics Center and program operations are transitioned according to plan and set objectives. Our top priority will be to transition operations from the current vendor and provide a seamless experience for all members with minimal disruption to service and daily operations. We will continue the day-to-day operations currently in place as we work with the City on the “moving forward” operating plan. Our goal will be to conduct an analysis of current operations then work closely with the City to suggest and implement changes over time as appropriate that will improve member experience and keep the facility and program in optimal operating condition. We have developed a draft transition plan to illustrate the structure and typical tasks that are included in a project the scale of the Sherwood Recreation and Aquatic Center. Please refer to the Transition Plan Exhibit for reference to the draft plan. Our objective will be to refine the plan with the City as one of the first steps of the project.

### **EXHIBIT 3: DRAFT TRANSITION PLAN**

#### **Effective Resource Tools to Assure a Successful Transition – HealthFitness Program Value Analysis**

With HealthFitness transitioning more than 30 program locations over the past several years, the key component that has directly guided and impacted our transition success has been the implementation and utilization of the HealthFitness Program Value Analysis (PVA). This process, initiated as one of the first steps to transition, has assured the success of some of the largest transition projects in the industry. We look forward to implementing this process in the initial phase of the transition project.

The PVA takes an unbiased consultative approach to analyzing then evaluating the current operating plan — the PVA will assist the HealthFitness transition team in becoming familiar with the current base operating plan and various programs and activities at the center. The PVA process will also familiarize the HealthFitness transition team with the various administrative processes, staff roles and responsibilities, and operating budget (revenue and expenses).

The HealthFitness transition team will utilize this tool during the transition process to identify strong points within the current program operations as well as identify opportunities for program enhancement and increased budget efficiencies.

Once the PVA is complete, the HealthFitness transition team will provide two documents for review — a Summary Document including all current program operating and budget areas analyzed, and a Draft Operating Plan. These two documents will provide a clear understanding of current operations along with a viable draft for the moving forward operating plan. The operating plan will be based on the PVA results and collaboration between the City’s Liaison(s) and the HealthFitness transition team regarding the moving forward business plan and budget.

 **EXHIBIT 4: PROGRAM VALUE ANALYSIS TEMPLATE**

- b. A suggested management organizational chart of key management of the facility. Identify all full time and part-time positions and their operational roles.

Our senior level organizational chart and project organizational chart, as well as additional biographies for the team that will be supporting the City’s account and job descriptions for the on-site staff that would be hired specifically for the City can be found in the attached exhibit. Additional detail on staffing can be found in our pricing document (including full- and part-time designations).

 **EXHIBIT 2: HEALTHFITNESS TEAM**

- c. A description of the reporting structure between facility management and corporate offices, and to the City of Sherwood. Describe proposed form of governance for the facility.

Our assumption is that there is an existing process for communication, decision making, and reporting between the current management partner and the City of Sherwood Liaison(s). One of our first steps within the new partnership and transition will be to understand the current interaction process and to develop the moving forward interaction and reporting plan with the City of Sherwood Liaison(s).

Additionally, HealthFitness will set up an advisory committee composed of a balanced mix of City Officials, HealthFitness team members and key stakeholders

from within the community – representing key demographics such as, but not limited to: parents and families, seniors, key business partners and sponsors. This committee would advise The City and HealthFitness on key initiatives, operations and policy.

From a structural perspective, the HealthFitness on-site General Manager, will be supported by the HealthFitness Client Strategy & Engagement Team assigned to the Sherwood account. This team will be led by James Aranowski, Senior Director, Program Management & Engagement. During the initial transition phase of the project James and the site-based General Manager will work to establish a process towards regular interaction with the City of Sherwood Liaison(s). A key part of the interaction process will include the implementation of resources from the HealthFitness Quality Assurance Program (QAP). Our QAP process includes a variety of procedural tools that help establish a structured level of regular communication and collaborative decision making. The QAP process is customized for each client's unique operational structure. A typical QAP structure includes the following mile-markers;

- Interaction with the site staff on a daily, weekly, monthly basis (James Aranowski and the General Manager).
- Monthly, quarterly, and annual interaction/meetings (James Aranowski, the General Manager, and the City of Sherwood Liaisons).
- Semi-annual program development and quality audit meetings (James Aranowski, the General Manager, and the City of Sherwood Liaisons).
- Annual program reviews (James Aranowski, the General Manager, and the City of Sherwood Liaisons).
- Facilitation of forthcoming Year Plan (James Aranowski, the General Manager, and the City of Sherwood Liaisons).

Our objective will be to work with the City of Sherwood Liaison(s) during the initial phase of the transition to further introduce the resources we can lend to this aspect of the operations and to ultimately establish a moving forward plan of action for interaction and decision making procedures.

- d. Provide information on the operational performance of a comparable recreational facility/activity that is relevant to the proposal. Include at least one comparable community to the City of Sherwood with a public agency as a partner.

Please refer to the references we provided as a part of our response. All three of the references are community-based operations, with the YKFC reference including the City of Bethel, Alaska as the client partner.

- e. Operational reports to be provided on a quarterly basis.

As mentioned previously in the response to Question 1c above, the HealthFitness Quality Assurance Plan (QAP) is designed to both ensure and evaluate service delivery and program performance against quality standards. It ensures that both the City and participants are satisfied with HealthFitness services. The QAP also ensures the program performs uniformly against predetermined standards. Ongoing steps are taken to evaluate and improve the delivery process and to ensure superior performance. Our reporting structure with each client is woven into our QAP process. HealthFitness will agree to conduct quarterly program review meetings with the on-site staff and the City of Sherwood Liaison(s). This meeting will be anchored by reviewing program events and elements for the quarter through a month over month management report for each quarter. Recommended categories include, but are not limited to:

- Executive summary
- Financial review
- Membership and usage status
- Operational review
- Performance statistics (e.g., operations, outcomes)
- Facilities update (e.g., review of service needs, repairs)
- Review of Quality Assurance Plan/output of deliverables
- Monthly action plans and activity charts
- Member suggestions and feedback

In addition, the HealthFitness client strategy and engagement team, led by James Aranowski will interact with the General Manager on a weekly/monthly basis. We believe this level of contact provides essential feedback and guidance and allows HealthFitness to maintain strong program awareness and superior customer service.

The attached exhibit contains a sample of a client report that includes statistics regarding usage, revenue, and costs. This is CONFIDENTIAL and should not be shared. Please note that this is an example of reports developed for other clients. We would work with the City of Sherwood Liaison(s) to establish a reporting calendar and reports specific to the Sherwood Recreation and Aquatic Center operations.

 **EXHIBIT 5: SAMPLE MANAGEMENT REPORT –  
CONFIDENTIAL**

2. Marketing Plan- Provide an explanation of the overall philosophy to market the facility, including:
  - a. An overview of marketing and promotional concept that will further the goals of the City as a premiere venue and maximize the economic impact to the region.

**Marketing Objectives and Strategy**

To ensure optimal program promotion and subsequent use of the facility and programs, HealthFitness will work with the City of Sherwood Liaison(s) to develop an effective marketing and communication plan for the moving forward recreation and aquatic program offerings. HealthFitness will collaborate with the City Liaison(s) to identify program components to be included in the Program Calendar and Year Plan. Then our team will work with to develop a marketing plan using a series of effective techniques focused on continuous program and facility awareness, leading to increased community participation. Our marketing strategy and materials will be in parallel and support of the Year Plan for program operations.

The structure of our recommended marketing and promotion plan includes these primary areas:

- Media outlets
- Communication strategies
- Special events calendar

Throughout the year, the campaign includes marketing activities focusing on specific audiences and program offerings. We also recommend additional special events each year to create excitement, renew interest and initiate high levels of participation. Once the marketing plan and Program Calendar is put into action, we measure the success

of the campaign by monitoring participation levels, behavior changes and interest in programming categories.

### Marketing Core Objectives

Our marketing strategy is geared towards reaching three core outcome objectives:

1. Interact with the eligible community population with powerful messaging to ensure their awareness of the facility and program offerings.
2. Engage the community population to become members of the center.
3. Motivate members participate in program and facility activities on a regular basis.

### Creative Marketing Campaigns

As part of our resources the City of Sherwood will have access to seven established electronic and print-ready configurable marketing campaign themes and a set of motivational idioms (e.g., “Be Powerful”, “Gain Health”, etc.). These marketing campaign resources are included within our core program resources at no additional charge.

The attached exhibit contains an overview of our marketing campaigns along with samples of marketing and communications we have done for clients similar to the City of Sherwood Recreation and Aquatic Center scope.

### EXHIBIT 6: MARKETING CAMPAIGNS AND SAMPLE CLIENT MARKETING

- b. A description of Proposer’s approach to booking/scheduling, promoting, advertising, and marketing events, programs and services.

### Technology Solution

Our primary assumption with the moving forward management plan is that the City of Sherwood will require the selected management partner to come into the partnership with a new management solution. With this assumption HealthFitness has included a line-item in the budget for a technology solution that will allow for schedules to be posted electronically, as well as the booking of class participation. See below for a summary of our proposed approach to the moving forward technology solution for the Sherwood’s Recreation and Aquatic Center.

Our recommended approach is to first work with the City of Sherwood Liaison(s) to better understand the current operating system and what data can be migrated, we

then can recommend a software system that best meets the City of Sherwood's moving forward system needs (e.g., CSI, MINDBODY, etc.). We have extensive experience utilizing a variety of industry technology solutions and are confident we can work with the City of Sherwood to identify a system that will best fit the Recreation and Aquatic Center's needs moving forward. Our intent is to implement technology that supports operational best practices, but also offers new solutions that enrich management tools that ultimately lead to a better participant experience.

### Overview of System Features

- Accounting:
  - Point of Sale
  - Billing and Accounts Receivable
  - Inventory Management
  - Series Sales (packaging and managing of services sold in a series format, e.g., personal training)
- Management:
  - Check-In
  - Event Management
  - Member Management (member data intelligence)
  - Event Management (plan, build, and scheduler for events)
  - Equipment Checkout
  - Locker Management
- Online Services: (automated online service features)
  - New Member Enrollment
  - Registration in Programs and Classes
  - Scheduling (classes, programs, leagues, special events)
  - Secure Dues Payment and Paperless Billing
- Scheduling:
  - Group Classes
  - League and Tournament Management
  - Program Enrollment (outreach, wellness, etc.)

- Scheduler for Management of Appointments and Bookings (e.g., personal training)
- Reports:
  - Data Integration and Custom Report Generation
- Business intelligence system to assist with data analytics (e.g., Tableau).
  - Data Visualization: Connect and Visualize Data from Varied Sources
  - Analytics: Spreadsheets, Dashboards, Multiple View Capability, Live and/or Automated Updates
  - Sharing: Publish Dashboards to Share Live Online

We recommend interaction with the City of Sherwood Liaison(s) during the initial steps of transition to further discuss strategy regarding selection of the moving forward system. Our objective will be to collaborate with the City of Sherwood Liaison(s) during the transition phase to identify and implement the solution in a time-efficient approach.

### Advertising, Marketing, and Promotion Strategy

Along with the extensive proprietary marketing capabilities mentioned above in our response to Question #2a, we have the ability to market and promote the program offerings via mobile apps and online with various customer relation management tools (CRM). We will also promote internally within the program and center operations through digital marketing, flyers/brochures and handouts, email marketing and Short Message Service (SMS – ability to send/exchange short text messages). Externally, we will utilize multiple modes of communication including but not limited to pay and non-paid public relation initiatives, social media, and paid advertising (e.g., TV, radio, billboards, print, and search engine marketing – SEM).

- c. Identification of any competing facilities managed by Proposer. HealthFitness does not have any competing facilities in proximity to the City of Sherwood’s Recreation and Aquatics Center.
- d. Identification of any synergies, alliances, key relationships, and other marketing opportunities Proposer will establish between other facilities it manages and how these could benefit the Sherwood facility.

HealthFitness does not have any other centers in proximity to the City of Sherwood in which participants could have access to. However, HealthFitness does have a multitude of resources the on-site professional staff at the City of Sherwood Recreation and Aquatic Center could utilize. We also have additional resources that the City of Sherwood could utilize as needed. See below for a summary of additional HealthFitness Resources.

### Staff Resources

We utilize a structured onboarding process for both external hires and internal promotions to provide associates with tools and knowledge to be successful in their role. The onboarding document, referred to as *Ready Set Go*, includes a step-by-step approach to integrating within a client site, becoming aware of HealthFitness corporate structure, key contacts and resources, and learning the day-to-day operational aspects of fitness and health management. The onboarding framework is supported by monthly *eTrainings*, mandatory online trainings focused on our systems – point-of-sale, member management platform, budget and expense management, as well as leveraging our social media platform, *Fuser*. To complement these technical trainings, we also offer optional trainings and webinar series around best practices for developing wellness programs, as well as industry news and trends, and continuing education courses. The on-site manager and/or regional support works closely with associates throughout the onboarding process to set expectations, answer questions and keep to a training timeline. Our training program ensures consistency across all sites, increases health industry skills and knowledge, and provides continuing education credits.

Our staff resources also include peer training that allows on-site staff to share best practices, trends and information across our nationwide book of business.

### PEER GROUP TRAINING

**Staff Exchanges:** Associates may spend a day or more at another HealthFitness client site to learn new skills and broaden their perspective.

**Peer Workshops:** A peer and an outside facilitator train a group of instructors in a specific area relevant to most or all programs. This approach fosters program consistency, sharing of ideas and a rich learning environment.

**The Campfire:** A place for associates to connect informally and discuss best practices in program design. HealthFitness associates share stories of what's worked

with their client's program, learn different approaches from others and refocus on program design best practices. Topics have included:

- Aquatics Management
- Health Fairs/Wellness Fairs/Fitness Fairs
- Wellness Champions and Wellness Committees
- Internships for Recreation, Aquatics, Wellness and Fitness
- Sports and Recreation Programs
- Charity Themed Events
- Integration with city vendors and partners, as appropriate
- Participant Satisfaction Surveys
- Social Media

**Senior Manager Meetings and Conferences:** Each region conducts area meetings and conferences for senior managers, focusing on business updates, team building sessions, leadership training and customer service workshops.

Additionally, HealthFitness provides a membership to IDEA Health & Fitness Association's "club connect" program where associates working ten or more hours per week can earn free continuing education credits by taking online courses, building programs, and more.

HealthFitness also has a full-time, dedicated national training director, MJ Chaiken. She continually updates and supports HealthFitness training initiatives for staff at all sites. HealthFitness' program management staff works closely with MJ to monitor staff participation in a structured individual training program aimed at guaranteeing great day-to-day direct service while offering staff the opportunity to develop the skills necessary to earn promotions as new sites open.

### **HealthFitness Preferred Purchasing Program**

The HealthFitness Preferred Purchasing Program will assist the City of Sherwood with the sourcing of quality exercise equipment—from consultation to actual quotations and ordering. This service is provided as part of our core account management services at no additional charge. Through extensive research, we have selected the leading manufacturers in the exercise equipment industry to participate in our preferred purchasing program (e.g., Cybex, LifeFitness, Octane, Matrix, Precor,

Technogym, etc.). These manufacturers have given their commitment to provide our clients with competitive pricing, quality product lines and superior service—during and after the original point of sale. When equipment needs arise, we will work to facilitate the selection and procurement of quality equipment at significant cost savings. HealthFitness leverages the buying power of more than 230 centers nationwide. In 2016, the program assisted clients in the procurement of more than \$3 million of exercise equipment. HealthFitness can provide further orientation to the program and its impact during the transition phase of the Sherwood project.

e. Sponsorship strategies.

Please see our response to Question 5.e.

3. Staffing

a. Describe your personnel management philosophy and describe the steps you will take to ensure that only individuals of the highest quality are employed to provide recreational services.

HealthFitness will recruit the proposed staff specifically for the City program. Our client strategy and engagement team, led by James Aranowski, will be responsible for recruiting on-site staff for the City program. James will be supported by Chip Boyd and HealthFitness' National Recruitment Program, provided through our human resources department. Our recruitment approach for new staff includes the following main categories:

- Internal promotion and transfer
- Employee referrals
- Communication to past applicants and former employees
- Advertisements in the market
- Job fairs, conferences and industry networking
- Internship programs

Our recruiters already have many people reaching out to them daily, given our position in the market, so we typically start the process hitting the ground running. While our recruiters do post positions on all the national websites, we don't typically have to wait for those sites to provide leads because of our national network of current employees and the large number of people sending in applications daily to our website.

Once staff candidates are identified through our recruitment process, we would introduce the candidates to the City liaison(s) for joint consideration of final staff selections.

Standard qualifications for HealthFitness' on-site health and fitness staff are included in the list below.

- A degree in Health, Exercise Science, Recreation or a health-related field from an accredited university for all health and fitness professional associates.
- CPR, First Aid and AED certification is required for all full-time, regular-time, temporary and group class instructors.
- Continuing education required for maintaining current certifications.
- Group class instructor certification (e.g., AFAA, ACE) for all part-time instructors who teach group classes.
- Personal training, spinning, yoga and other specialty certifications for all fitness professional associates who provide these specialty services.
- Entry-level to three-plus years' experience supervising health and fitness programs, based on position level.
- Leadership, written and verbal communication skills, as well as the innovative capability and broad-based interests to effectively manage program and facility operations.
- Exceptional skills in group exercise, exercise testing and prescription and personal training.
- Strong people skills, a positive attitude and computer software skills sufficient to manage and operate member management programs and databases.
- Certification from ACE, AFAA, ACSM, NSCA or NASM a plus.

In addition, many of our staff hold advanced degrees including licensure or certifications in health education, dietetics, exercise physiology, mental health and chiropractics.

For pre-employment purposes, HealthFitness' standard practice is to conduct the following:

- Background Check
  - SSN Trace

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Recreation and Aquatic Center Operations/Management



- County Criminal Record Search
- Multi-Jurisdictional Index Search
- Education (Highest Level Earned) Verification
- Professional License/Certification Verification
- Drug Screen upon client request to test for unlawful drug use

Once the recruiter has identified a qualified candidate, they forward the candidate onto account management for them to interview the person(s). Once account management has chosen the final candidates, those candidates are presented to the client representative(s) for their approval. All hiring and placement decisions based on information obtained in the background check and drug screen will be made in accordance with federal, state and local law.

b. Describe your philosophy on retaining these highly qualified individuals.

We are proud of our ability to drive consistency in our staffing resources. Our strategy includes a combination of processes and direct staff interaction throughout each year to foster professional growth, provide a structured employment path within HealthFitness and support continued service excellence for our client base. A brief summary of some of our staff resources includes:

- An effective training program (initial and ongoing training curriculums delivered in-person and electronically through our web-based training center).
- An established career development plan and performance review process.
- Regular interaction including one-on-one staff-to-director meetings, networking with staff at other client sites, monthly meetings that include “circles of praise” for associates (managers and other professionals).
- Individual and site achievement awards.
- Diverse opportunities for professional growth and advancement through our current and newly established programs nationwide.

Our approach takes into account an associates’ personal goals and help set objectives and timeframes to achieve set career advancement goals, as well as their tenure with HealthFitness and their respective client account. Our associates feel like they are part

of a larger team. Our senior staff direction and associate resources support our exceptional tenure.

Some ways we support staff retention and promote satisfaction include:

**Certification Reimbursement Program:** Full-time, permanent associates may be reimbursed for health and fitness certifications which support an associate's professional growth.

**Tuition Reimbursement Program:** Full-time permanent associates may be reimbursed for degree programs which are directly related to the associate's current position or a logical future position.

Specific training requests are reviewed on an individual basis based upon value to the client, the professional, and HealthFitness.

The HealthFitness Achievement Awards Program recognizes and honors staff efforts and achievements. It includes:

- Service Excellence Award for outstanding service each quarter.
- Associate Suggestion Award for innovative, creative suggestions that improve HealthFitness, our management systems or our client service effectiveness.
- On-the-Spot Award for above and beyond problem solving, volunteering for additional or emergency assignments to meet a unique client need or unusual personal initiative.
- Site of the Year Award presented to a site team of associates for outstanding achievement of annual financial, membership, satisfaction and/or health improvement results.

- c. Provide a staffing plan for the facilities showing coverage during a normal operating day.

Please refer to the separate exhibit for a draft staff schedule that includes all of the regular full and part-time staff for facility coverage. Note the instructor level staff (group classes, active older adult, water workout, and instructional swim) are not included in the schedule grid, but the assumption is that they will teach the amount of classes per category, according to the schedules that will be developed per instructional class period. We view this schedule as an initial draft and recommend

further interaction with the City of Sherwood Liaison(s) to develop a final weekly staff work schedule to ensure adequate facility coverage and service delivery.

### **EXHIBIT 7: DRAFT STAFF SCHEDULE**

d. Provide a hiring plan for initial start-up.

If it is the City's objective to retain the current on-site staff, then it will be our goal to implement a seamless staff transition that provides efficiency in process while allowing each associate to feel whole as they become employed with HealthFitness.

We will initially meet with all existing staff for an orientation to HealthFitness and our client strategy and engagement team, introducing the transition process and what they will experience in the coming weeks. Next, we will work in partnership with the City liaison(s) to identify who will be in the general manager role and include this individual in facilitating the remainder of the staff transition process.

Following the general manager's selection and inclusion in the process, we will hold individual meetings with all remaining site staff to further understand their skills and strengths, and work in conjunction with the program manager and City liaison(s) to finalize all job descriptions and positions moving forward.

Concluding steps to the staff transition includes meetings where the staff receives a benefits overview, explanation of key policies, and overview of resources and how/where they may ask questions of our client strategy and engagement team, our HR team, etc., and ultimately complete the onboarding process to employment with HealthFitness.

The key to any staff transition is to implement a structured process and have frequent and clear communication to all existing staff involved. With program transitions projects, we also recognize that there may still be a need for recruitment of new staff. When staff recruitment is necessary, we employ an effective recruitment strategy led by James Aranowski and Chip Boyd and supported by HealthFitness' human resources' national recruitment program.

e. Provide a copy of a current employee handbook and/or regulations. HealthFitness provides a Policy and Procedure Manual to all employees. This manual contains statements of corporate administrative and human resource policies

and procedures to be followed by all associates of HealthFitness. It is a reference and working guide for supervisors in the administration of the company's policies, procedures and practices.

Below is the manual Table of Contents taken from eCentral. It is an e-Manual that serves as a reference to our teams.

## **HEALTHFITNESS E-MANUAL - A GUIDE TO COMPANY AND INDUSTRY STANDARDS**

### 1 – Getting Started

- 1.1 – Introduction to HealthFitness
- 1.2 – Knowing Your Resources
- 1.3 – Effectively Using the eManual
- 1.4 – Cornerstones for Best in Class
- 1.5 – Credits & Acknowledgements

### 2 – Account Management

- 2.1 – Your Role as an Internal Consultant
- 2.2 – Reviewing Your Contract
- 2.3 – Service Excellence
- 2.4 – Data Privacy
- 2.5 – Preferred Purchasing Program

### 3 – Account Operations

- 3.1 – Account Operations

### 4 – Fitness Center Admin

- 4.1 – Enrollment and Membership Changes
- 4.2 – Assessment, Prescription, & Orientation
- 4.3 – Programs & Services
- 4.4 – Fitness Management PMD

### 5 – Understanding Your Client

- 5.1 – Learning About Your Site
- 5.2 – Understanding the C-Suite
- 5.3 – Developing Relationships at All Levels
- 5.4 – Creating Alliance for Program Integration
- 5.5 – Developing Wellness Groups

### 6 – Engagement

- 6.1 – Maximizing Participation
- 6.2 – Use of Incentives
- 6.3 – Marketing
- 6.4 – Marketing - B2C - Cohort
- 6.5 – Marketing - B2C - Social

### 7 – Planning

- 7.1 – Business Planning
- 7.2 – Marketing Development
- 7.3 – Communications Planning
- 7.4 – Program Planning
- 7.5 – Participating in a Vendor Summit
- 7.6 – Financial Models and Budgets

### 8 – Program Design & Implementation

- 8.1 – Outcomes: Begin With The End In Mind
- 8.2 – Reviewing Data and Translating to Design
- 8.3 – National Programs & Partnerships
- 8.4 – Site Developed Programs

### 9 – Outcomes Measurement

- 9.1 – Measurement and Metrics
- 9.2 – Reporting

### 10 – Contingency Planning

- 10.1 – Contingency Planning

### 11 - Development Strategies for Mature Programs

- 11.1 – Beyond Healthy People 2010
- 11.2 – International

### 12 - Occupational Health

- 12.1 - JOBFIT Injury Prevention & Treatment

4. Program or Curriculum

a. Describe proposed hours of operation.

In our experience with transition projects, it is typical to continue with the current hours of operation, unless the client identifies the need for adjustments to the schedule. See the chart below for an illustration of the hours of operation.

HealthFitness is open to further discussion with the City should adjustments to the schedule be needed.

Days of the Week	Hours of Operation
Monday through Thursday	5:00am to 10:00pm
Friday	5:00am to 9:00pm
Saturday	6:00am to 7:00pm
Sunday	8:00am to 6:00pm

b. Describe the services that you would provide to the public.

See the table below for a general listing and quantification of the services to be delivered to the public. Note: we view this listing as an initial recommendation and draft scope. We recommend further interaction with the City Liaison(s) in order to finalize a program menu and calendar of events that will best serve the public moving forward.

Program Area	Scope
General Service Delivery (e.g., reception, floor supervision, program delivery, etc.)	Daily
General Fitness Guidance	Daily
Personal Training	Daily
Group Class Instruction	62 per week
Active Older Adult Group Class Instruction	26 per week
Water Workouts	14 per week
Swim Lessons	81 per week
Recreation/Family Programming (e.g., fun runs, open swim, sports leagues/tournaments, etc.)	Ongoing

Special Events/Community Outreach (e.g., holiday events, 5K Runs, etc.)	Thematic and Seasonal Events
Teen Center Events	Targeted calendar of events
Youth Development Programming	Targeted calendar of events
Mind Your Health Educational Seminars	A library of 30 tracks to choose from
Multi-Session Classes	A library of 7 classes to choose from
What's What Meet-Up Outreach Sessions	A library of 8 outreach topics to choose from
Staff-Delivered Challenges	A library of 8 challenges to choose from

 **EXHIBIT 8: VALUE-ADDED PROGRAM MATERIALS**

- c. Provide details on how you would design, implement, administer, and evaluate high quality operations.

The following outline illustrates our four-step approach to program design and implementation. For our quality assurance plan and recommended evaluation process please refer to the response to Question 1c in the Operating Plan Section of this response.

**STEP 1: ORIENTATION TO SHERWOOD**

The first step in developing a management plan is to familiarize ourselves with the City and its culture within the community. We will meet with the City to gain a clear understanding of specific goals and what objectives are expected from this initiative moving forward.

**STEP 2: NEEDS ANALYSIS**

Next, we will gain an understanding of the needs and interests of the eligible population. This typically occurs through interaction with the City and engagement and surveys of the community as appropriate. We will work with the City planning team during implementation to better understand the best approach to going about understanding the City and community needs and interests.

### STEP 3: MANAGEMENT PLAN AND PROGRAM CALENDAR DEVELOPMENT

We will work with the City planning team to develop a management plan and program calendar specific to the Recreation and Aquatic Center's program scope. This process will focus on the safe and effective development and implementation of all programming and facility management services moving forward.

### STEP 4: MANAGEMENT PLAN IMPLEMENTATION

When the Management Plan is finalized, HealthFitness will execute the plan and implement a process to continually monitor outcomes and goal attainment. Our focus will be constant. We will be prepared to make any necessary adjustments throughout the year to assure identified results are achieved.

- d. Provide a statement of the educational/guiding philosophy by which the services would be operated if the Proposer were awarded the contract.

HealthFitness' mission is to improve the health and well-being of the people we serve. With four decades of experience, HealthFitness has an established track record of creating immediate, effective health and fitness management programs. Our history began with on-site fitness management, but over the years we expanded the services and programs we deliver to address the scope of the population health spectrum. Today's HealthFitness leverages an experienced, superbly trained workforce to integrate fitness, recreation, health management, condition management and occupational health programs. We have significant experience working with community, collegiate and employee communities similar to the city of Sherwood, including several community based clients. On any given day we have the pleasure of working with more than 100,000 individuals as they swim, exercise, play, and learn. We love what we do and look forward to living our mission each day.

- e. Describe how you would evaluate the quality of services and programs on an on-going basis.  
As part of our quality assurance process, we conduct surveys to measure client and participant satisfaction on a regular basis. Our surveys measure performance against client and member satisfaction objectives and prioritize quality improvement areas for forthcoming Year Plan development. Our surveys measure:

- Awareness of the program and facilities
- Perception of program and facility quality
- Level of interest in program and facility offerings
- Health improvement needs and interests
- Effectiveness of program and facility offerings (e.g., enrollment procedures, hours)
- Behavior changes resulting from program initiatives
- Overall satisfaction with HealthFitness' products, services and on-site staff

Client and Member Satisfaction—satisfaction surveys are typically conducted in the quarter prior to development of the upcoming Year Plan. Survey outcome results can be tracked and reported specific to client's survey input.

Periodic Evaluations—HealthFitness modifies programs and services in response to customer suggestions or concerns as identified through such as suggestion boxes or focus groups.

In addition, HealthFitness administers various surveys throughout the year to keep a finger on the pulse of the customer. Annually, an overall program and facility survey will be provided to all members. Questions range from satisfaction with the staff, equipment and locker rooms to why they do or don't participate in programs/classes offered by the fitness center.

Other annual surveys include a targeted one distributed to members who participate in our group classes to get more specific feedback on what they do and don't like about the current classes in order to continually improve the program. Also, a client liaison survey requests feedback on satisfaction with HealthFitness and the account management team.

### **GROUP CLASSES**

To keep the class schedule fresh and inviting to members, HealthFitness associates participate in the following initiatives:

- **Industry Conferences and Workshops:** HealthFitness associates attend industry conferences and workshops to bring variety and innovative classes to the schedule. Conferences and workshops help to enhance the skill sets of our instructors in the area of form and technique and highlight the latest trends in choreography and music.

- **Group Exercise Class Staff Jams:** Associates from multiple sites may spend a day together at a HealthFitness client site to learn and practice group exercise class skills such as creative choreography, smooth cueing and effective music utilization.
- **Group Class Online Forums:** HealthFitness associates will participate in conversations with their peers to customize classes, keep knowledge current, track trends, and share thoughts.
- **Group Class Surveys:** Following each group class session (typically a four to eight week period) our site staff will conduct a member survey regarding the group class mix to gauge satisfaction with the instructors and class types.

### **STAFF PERFORMANCE REVIEWS**

Performance reviews are conducted by the account management team typically after three months, then again at twelve months of employment and annually thereafter. Performance reviews evaluate past performance, establish new goals and objectives, and review career development plans. Salary reviews are conducted on an annual basis along with the annual performance reviews. Should there be any performance related issues that the client needs to address at any given time, the HealthFitness account management team will be available to address and resolve said issues.

5. **Financial Plan-** Provide an explanation of the overall financial plan including:
  - a. A spreadsheet model that displays revenue and expenditure categories in dollar figures by fiscal year of July 1 to June 30, beginning with the 1st year of operations and carried out a minimum of five years. The spreadsheet model will clearly identify the operating net income each fiscal year, with a narrative explanation of how deficits will be funded or gains will be utilized. Please refer to the Pro Forma included as a separate exhibit, specifically Tab 1 for the revenue and expenses.

### **EXHIBIT: SHERWOOD PRO FORMA**

- b. Revenue and expenditure assumptions should be clearly footnoted and explained.

Please refer to the Pro Forma included as a separate exhibit, specifically Tab 2 for the footnote key, Tab 3 for revenue assumptions, and Tab 4 for staff assumptions.

 **EXHIBIT: SHERWOOD PRO FORMA**

- c. A narrative summary of Proposer's strategy for minimizing the annual operating expenses and maximizing the annual operating revenues. The proposed strategy should be based on Proposer's existing understanding of similar operations and/or its overall approach for maximizing revenues and minimizing expenses. See the section below for potential areas in which we can look to minimize expenses and possibly find efficiencies. We recommend further interaction with the City to best understand current operations and associated budgets, then we will be able to develop a specific moving forward strategy in this area.

**Expense Minimization**

- Utilize salaried staff for limited instructional services (reduces PT hourly).
- Review and possibly renegotiate all service contracts (landscaping, custodial, etc.).
- Review and possibly renegotiate any/all independent contractor agreements.
- Review and possibly negotiate new equipment purchasing agreements (tap into HealthFitness preferred purchasing equipment vendors).
- Utilize existing HealthFitness Marketing On Demand to enhance and possibly reduce total marketing spend.

**Revenue Maximization**

- Conduct full market analysis (PVA) to assess and right-size rates/fees as needed.
- Incorporate existing HealthFitness engagement/incentive programming to produce “value added” membership experiences. This will drive membership retention and recruitment.
- Conduct facility space audit to determine programming efficiency.

- Begin a review of transactional trends and incorporate transactional efficiencies in line with national consumer purchasing trends and local area trends (e.g., online purchasing, mobile responsiveness, ACH and CC processing, etc.).
- d. A proposed strategy for a scholarship programs and approximate amount of funds set aside each year for scholarships.  
HealthFitness showed a plan in the financial pricing summary to provide discounted fees for programs and memberships. Our program funds will allow qualified participants to participate in programs and services via a partial or full discount. Our objective would be to drive enough new membership and program revenue where we would be able to continue with a comparable scholarship program in relation to past program history. We are confident with our moving forward program plan that we could achieve this goal after further discussion with the City Liaison(s).
- e. A summary of Proposer's proposed strategy for maximizing advertising and sponsorship sales for the facility.  
HealthFitness' approach to for maximizing advertising and sponsorship sales would include an initial thorough review and possibly renegotiation of any existing sponsorship agreements. This would involve an audit of all available sponsorship opportunities and plan to build an inventory of the following:
- Fixed assets
  - Mobile assets
  - Digital assets
  - Programming assets
  - Communication assets
  - Special Events, anniversaries, celebrations, etc.

In addition, we will conduct value analysis for existing and new sponsorship inventory.

Finally we feel consideration to building a relationship with Fluent Group to generate sponsorship opportunities and connecting with radio sponsorship providers like Neptune would be worth investigating.

- f. User Fee Schedule, including a differentiation between residents of Sherwood and non-residents.

Please refer to the footnote key in the Pro Forma file (Tab 2), specifically footnote #1 for a listing of both the resident and non-resident fees.

 **EXHIBIT: SHERWOOD PRO FORMA**

6. Maintenance Plan

- a. The Maintenance Plan must consist of daily upkeep as well as maintaining the major systems and infrastructure of the facility. How the Maintenance Plan is foreseen to be funded must also be included.

HealthFitness has provided dedicated maintenance staff in the proposed staff scope including a full-time *Facility Maintenance Manager* (line item #12 in the Pro Forma) along with a supportive cast of part-time *Facility Maintenance Attendant/Custodians* (line item #25 in the Pro Forma). Our objective is to have this dedicated staff scope provide the daily upkeep as well as maintaining major systems and infrastructure of the facility.

We also provided budget dollars for any other additional external maintenance skilled labor that is needed in the *Contract Services* line item of the *Variable Facility Expense* section of the Pro Forma (line item #43). Custodial supplies are also accounted for in the *Custodial and Locker Room Amenity Supplies* line item of the *Variable Facility Expense* section as well (line item #44).

HealthFitness is open to further discussion with the City of Sherwood Liaison(s) regarding these resource allotments and the associated budget equivalents.

 **EXHIBIT: SHERWOOD PRO FORMA**

7. Compensation

- a. Please provide an outline of a potential compensation proposal should Proposer be selected to operate and manage the facility. Proposed compensation rates (salaries and wages) for the recommended staff scope, along with the proposed compensation for HealthFitness (the management fee), are included as itemized line items in the expense section of the Pro Forma, with support information in the footnote key tab. HealthFitness is open to further discussion with the City of Sherwood Liaison(s) regarding these expense line items.

 **EXHIBIT: SHERWOOD PRO FORMA**

8. Other

- a. Please include any other information that would be applicable to Proposer's complete operational plan. This may include alternative Proposals.  
HealthFitness does not have an alternate proposal and/or any additional information to submit at this time.

## **APPENDIX A - SCOPE OF SERVICES**

The Scope of Services must, at a minimum, include a proposal for managing the facility, together with all of the amenities, described in this RFP.

The operator will be responsible for:

1. The cost of all aspects of the facility's operation including staffing, operating supplies, contractual services and capital replacement (with the exception of the exterior of the structure itself).

Confirmed.

2. Staffing of the center including operations, programming, administration and maintenance.

Confirmed.

3. All cleaning and maintenance functions associated with the interior of the building.

Confirmed.

4. Maintaining all the building's mechanical and operating systems including capital replacement.

Confirmed.

5. All facility and program equipment (including fitness and aquatics).

Confirmed.

6. Maintaining the grounds immediately in front of the building as well as the parking lot.

Confirmed.

Operational considerations:

1. A commitment to operating the center 7 days a week for a minimum of 100 hours a week.

Confirmed.

1. A commitment to a full offering of programs and services in all areas of the center.

Confirmed.

2. Minimal changes to the current fee schedule in the first year of operation. Approval of any future fee changes by the City.

Confirmed.

3. A discount on membership/use fees for City residents.

Confirmed – please see pricing proforma footnotes.

4. A clearly identified scholarship program for individuals/families that cannot afford the membership fees.

Confirmed.

5. Operator cannot change the permanent use of existing spaces in the center without City permission.

Confirmed.

6. Quarterly operations and management reports that detail basic performance measures, including but not limited to:

- Membership numbers
- Operational budget/actuals
- Revenues/actuals
- Program/service numbers and users
- Scholarships given out (number and amounts)
- Comparisons of all figures to the previous quarter(s) and year

Confirmed.

The City is responsible for maintaining the exterior or the building including the roof and skin (walls) of the structure. The City also pays for the following:

- Basic grounds maintenance (beyond the immediate landscaping near the front entrance and parking lot).

Confirmed.

- Building and property insurance (for the City's ownership of the building).

Confirmed.

The Scope of Services will be further negotiated and refined between the City and the selected Proposer.